

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4152
ANSWERED ON:15.12.2000
MALPRACTICES IN INSURANCE COMPANIES
SHAMSHER SINGH DULLO

Will the Minister of FINANCE be pleased to state:

to the reply given to the Unstarred Question No. 2483 on 12th June, 1998 regarding 'Malpractices in Insurance Companies' and state:

(a) the details of cases of corruption, forgery, assets disproportionate to known sources of income and fraudulent settlement of claims in the offices of Insurance Companies located in Delhi and Ghaziabad reported to/investigate by the C.B.I., Police, CVC and Anti-corruption Branch, Delhi during the last two years, Company-wise;

(b) the action taken thereon, company-wise;

(c) whether complaints have been received from the Employees Associations against the Vigilance officer of Delhi Region for their unfair and partisan role in various cases referred to them for enquiry and also against their personal misconduct; and

(d) if so, the details thereof and action taken or proposed to be taken against the erring Vigilance Officers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (d): The information is being collected from the Insurance companies and will be laid on the Table of the House.

(a) & (b): The requisite information is given in the Annexure .

(c) & (d):

(i) Life Insurance Corporation of India has reported that they have not received any complaint from their Employees Association against their Vigilance Officer of Delhi Region for his unfair and partisan role in various cases referred to him for enquiry and also against his personal misconduct.

(ii) Company-wise details of complaints received against the vigilance officers of Delhi Region and action taken thereon as reported by the General Insurance Corporation of India are as follows: 'National Insurance Company Limited': One complaint has been received against Vigilance Officers of Delhi Region from General Insurance Employees' Association, Northern Zone regarding a Motor Accident Claim (Vehicle No.HR-26-4923) under Gurgaon Division. On investigation it has been found that no claim has been preferred in respect of that particular vehicle by the insured. No personal misconduct was found against the Vigilance Officer, Delhi Region. 'New India Assurance Company Limited': The allegations against a Vigilance Officer of Delhi Region were investigated by a senior officer from Vigilance Department, Head Office and the allegations made against him were not substantiated. Therefore, the complaint was treated as closed. 'The Oriental Insurance Company Limited & United India Insurance Company Limited': No complaints were received from Employees' Association against the Vigilance Officers of Delhi during the years 1998-1999 and 1999-2000.

Information had to be collected from companies, hence the delay.

ANNEXURE

ANNEXURE REFERRED TO IN LOK SABHA UNSTARRED QUESTION NO. 4152 FOR 15TH DECEMBER 2000 REGARDING MALPRACTICES IN INSURANCE COMPANIES BY SHRI SHAMSHER SINGH DULLO.

(a) & (b): Requisite information pertaining to Life Insurance Corporation of India and General Insurance Corporation of India are as under:

LIFE INSURANCE CORPORATION OF INDIA.

No case pertaining to corruption, forgery, assets disproportion to known sources of income and fraudulent settlement of claims in the offices located in Delhi and Ghaziabad has either been reported to CBI, Police, CVC and anti-corruption branch, Delhi by LIC of India during the last two years i.e. 1998-99 and 1999-2000 or taken up by them on their own for investigation.

GENERAL INSURANCE CORPORATION OF INDIA.

Company 1998-1999 1999-2000

No.of Action taken No. of Action taken
Cases Cases

National Insurance Nil Not applicable 5 In 4 cases, after preliminary
Company Limited. investigations, 10 officials in
Delhi and Ghaziabad were
suspended and matter handed
over to CBI for further
investigation. The remaining one
case in which only Surveyors/
Tracers are reported to be
involved, has been referred to
CBI for investigation.

New India Assurance 3 In two cases 8 Disciplinary proceedings
Company Limited. Disciplinary procee- initiated in three cases, out of
dings were initiated. which in two cases appropriate
In one of these cases penalty has been recommended
Major Penalty was and in one case Departmental
imposed and in the Inquiry has been initiated. In
other case, appropr- one case relevant files have
iate penalty has been been handed over to CBI for
recommended. One case investigation. Four cases have
closed having no been closed as they did not
substance. have any substance.

Oriental Insurance Nil Not applicable 1 On the basis of preliminary
Company Limited. investigation, the two
assistants involved have been
suspended and the matter has
been referred to CBI for
further investigation.

United India Insurance 1 Case closed having 2 Both the cases have been taken
Company Limited. no substance. up for investigation.